



City of
Rockville
Get Into It

FY 2017 Budget Preview #2

February 29, 2016



Get Into It

Items to be Discussed

- **Tax Revenue Update**
 - Property Tax
 - Income Tax
- **FY 2017 Budget Focus**
 - Infrastructure and Facility Needs
 - Employee Compensation and Benefits
 - New Consultant Funding
 - New or Expanded City Programs and Initiatives
- **FY 2017 Operating Budget**
- **Capital Improvements Program**



Tax Revenue Update

- **Real taxable property assessments increased by over 3%;** will generate \$39.6 million in total property tax revenue
- **Income tax impact from Wynne decision is estimated at a loss of \$150,000 per year** starting in FY 2017 through the first quarter of FY 2019; more amended returns from 2011 to 2014 could impact this number
- **Income tax impact from the State's misallocation is estimated at a loss of \$116,000 per year for 10 years** starting in FY 2019 second quarter; actual tax year 2015 misallocation could impact this figure



FY 2017 Budget Focus

- **Infrastructure and Facility Needs**
 - Swim and Fitness Center Repairs
 - Skate Park Renovations (CIP)
 - Traffic Signal Upgrade (CIP)
 - Civic Center Park Trail Improvements
 - Access Audit and Transition Plan
 - Police In Car and Body Cameras
 - Additional Contract Tree Maintenance
 - Janitorial Contract
 - Street Sweeping Contract
 - WSSC Operating Cost
 - Recycling and Refuse Processing Fee
 - Temp Labor for Recycling and Refuse Collection
 - Richard Montgomery Elementary School Gym



Get Into It

FY 2017 Budget Focus

- **Employee Compensation and Benefits**
 - Compensation is based on the results of Compensation and Classification Study and Appeals Process
 - Regular employee compensation includes 1% COLA and an average of 3% performance merit / step
 - \$50,000 added for minimum wage employees (in addition to \$85,000 added to base in FY 2016)
 - New Employee Performance Evaluation Software



Get Into It

FY 2017 Budget Focus

- **New Consultant Funding**
 - Fiscal and Economic Impacts of Development Scenarios
 - Hotel Tax Audit
 - Mayor and Council Goal / Priority Setting
 - Water and Sewer Rate Model Update





Get Into It

FY 2017 Budget Focus

- **New or Expanded City Programs and Initiatives**
 - Senior Programs
 - Summer Camps at Twinbrook
 - Miss Utility





FY 2017 Operating Budget

- **Total budget equals \$126.1 million; increase of 2.2%**
- **No new regular positions**
 - Regular FTE count reduced by 1.0 FTE to 517.0
 - Reorganization of a Neighborhood Resources Coordinator to an Assistant to the City Manager under consideration
- **General Fund budget equals \$76.5 million; increase of 2.6%**
- **CIP transfer equals \$6.1 million**
- **Debt Service Transfer equals \$5.35 million**
- **Parking Fund Transfer equals \$750,000**



FY 2017 Operating Budget

- **Water and Sewer Rates consistent with rates adopted by Mayor and Council on January 5, 2015**
- **Refuse and Recycling fee proposed to increase by 6% to \$424 per year**
- **SWM fee consistent with rate adopted by Mayor and Council on May 21, 2012; increase by 5% to \$127.70 per ERU**
- **Special District Parking Tax Rate proposed to increase by 2 cents to \$0.35 per \$100 of assessed value**



Get Into It

Capital Improvements Program

- **Newly funded projects that will be included in the FY 2017 through 2021 CIP**
 - Skate Park Renovation
 - Traffic Signal Upgrade at East Jefferson Street and Rollins Avenue



Get Into It

Capital Improvements Program

- **Projects with major adjustments between FY 2016 and proposed FY 2017**
 - King Farm Farmstead Dairy Barns
 - Twinbrook Culvert Repairs
 - Various Water and Sewer Projects
 - West End Park Noise Barrier





Get Into It

Next Steps

Meeting Date	Action Item
March 8, 2016	Electronic Distribution of FY 2017 Proposed Budget
March 14, 2016	Presentation of Proposed Budget; Hard Copy Distribution of FY 2017 Proposed Budget; Mayor and Council Worksession #3
March 21, 2016	Public Hearing #1
April 4, 2016	Public Hearing #2 (Caregiver Agency); Mayor and Council Worksession #4
April 18, 2016	Public Hearing #3
April 25, 2016	Close of Budget Public Record
May 2, 2016	Mayor and Council Worksession #5
May 16, 2016	FY 2017 Budget Adoption
May 23, 2016	Backup Adoption Date (If Needed)